



RESIDENTIAL REAL ESTATE MARKET IN GEORGIA

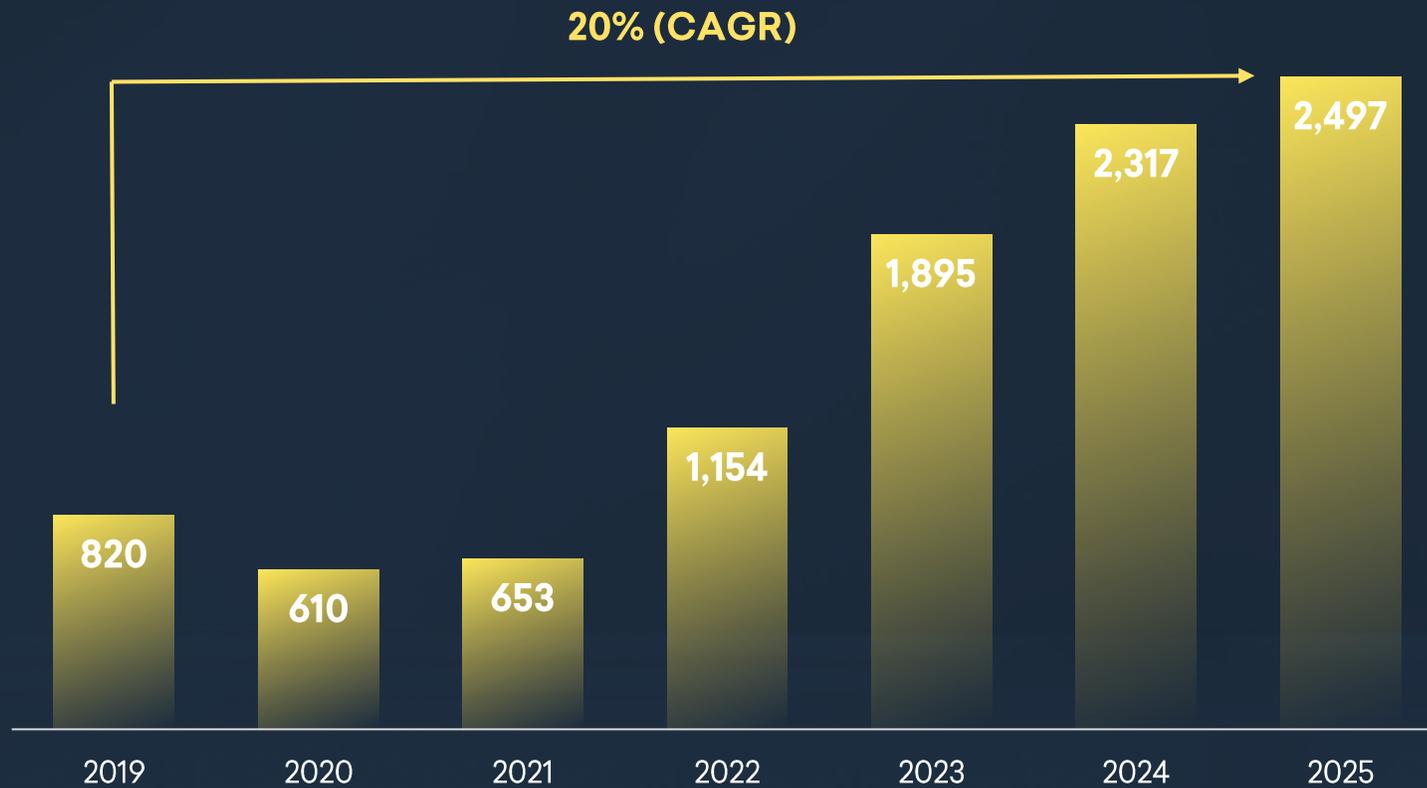
2025 SUMMARY

2026 OUTLOOK



Residential real estate (RRE) market grew considerably in recent years

Primary market size (Mln. \$, Georgia)



Share of total market, 2025:

68%

Tbilisi

21%

Batumi

80%

Sales - RESIDENTIAL purposes
Tbilisi

85%

Sales - INVESTMENT purposes
Batumi

After the 2022 surge, residential real estate market in Georgia entered a new stabilization phase in 2024–2025

Number of transactions ('000), Georgia

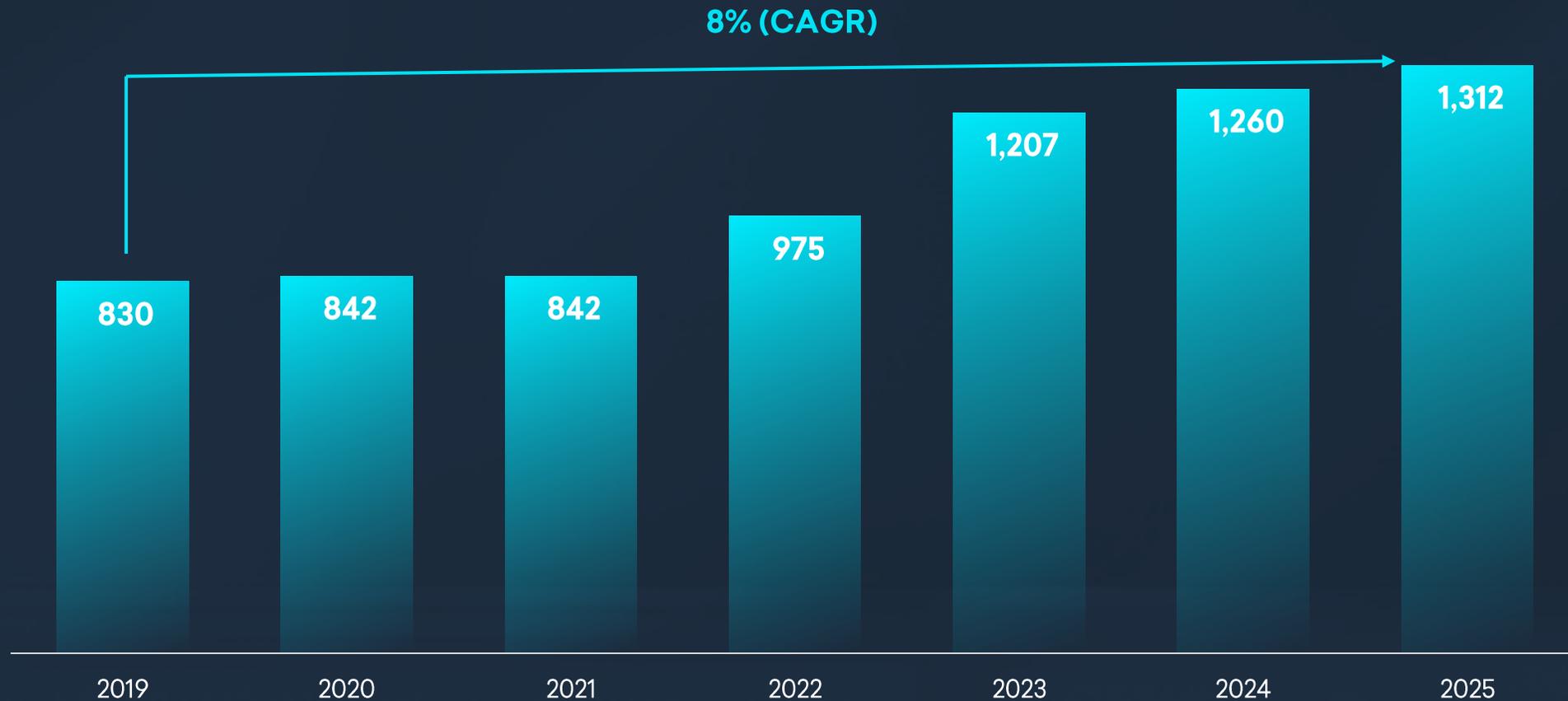
■ Primary ■ Secondary



Source: NAPR, TBC Capital

Tbilisi RRE prices stabilized in 2024–2025, with city average reaching \$1,312 per sqm

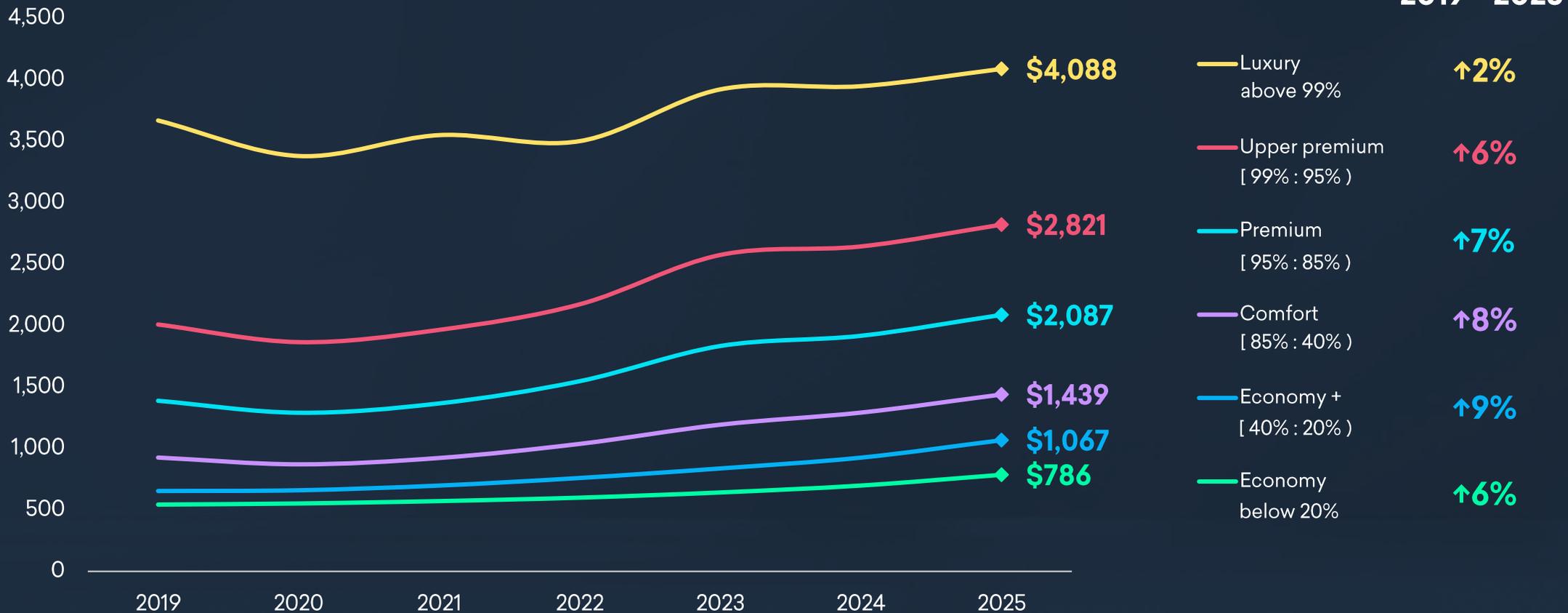
Average sale price (\$/sqm), Tbilisi



Source: NAPR, NBG, TBC Capital

The premium residential segment continues to trade with prices nearly double the city average

Average sale price (\$/sqm) by categories, Tbilisi

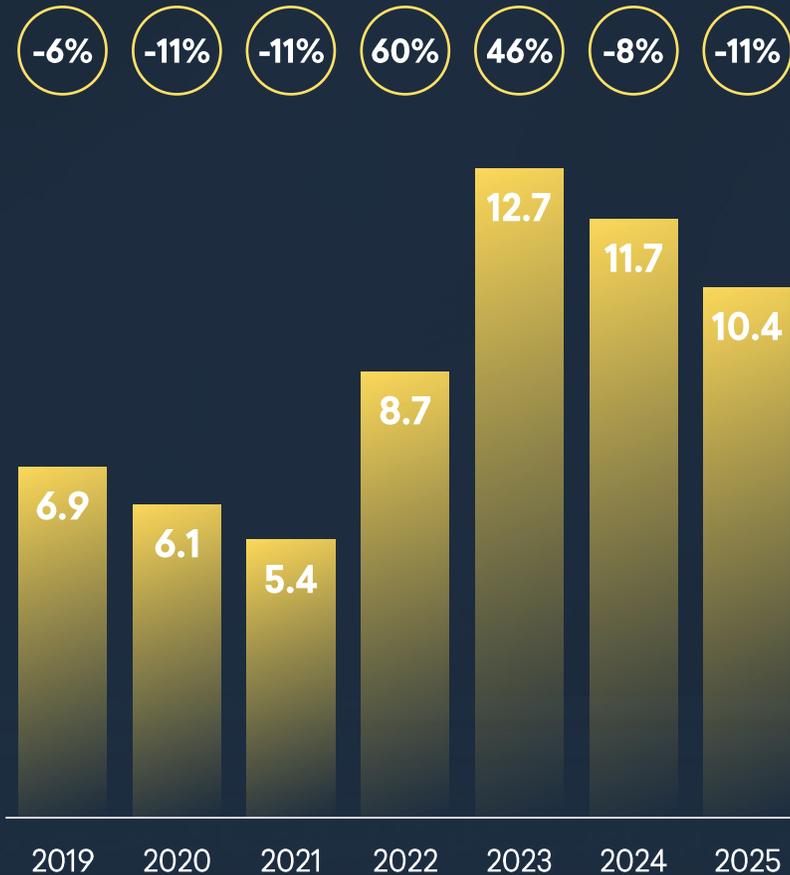


Source: NAPR, NBG, TBC Capital

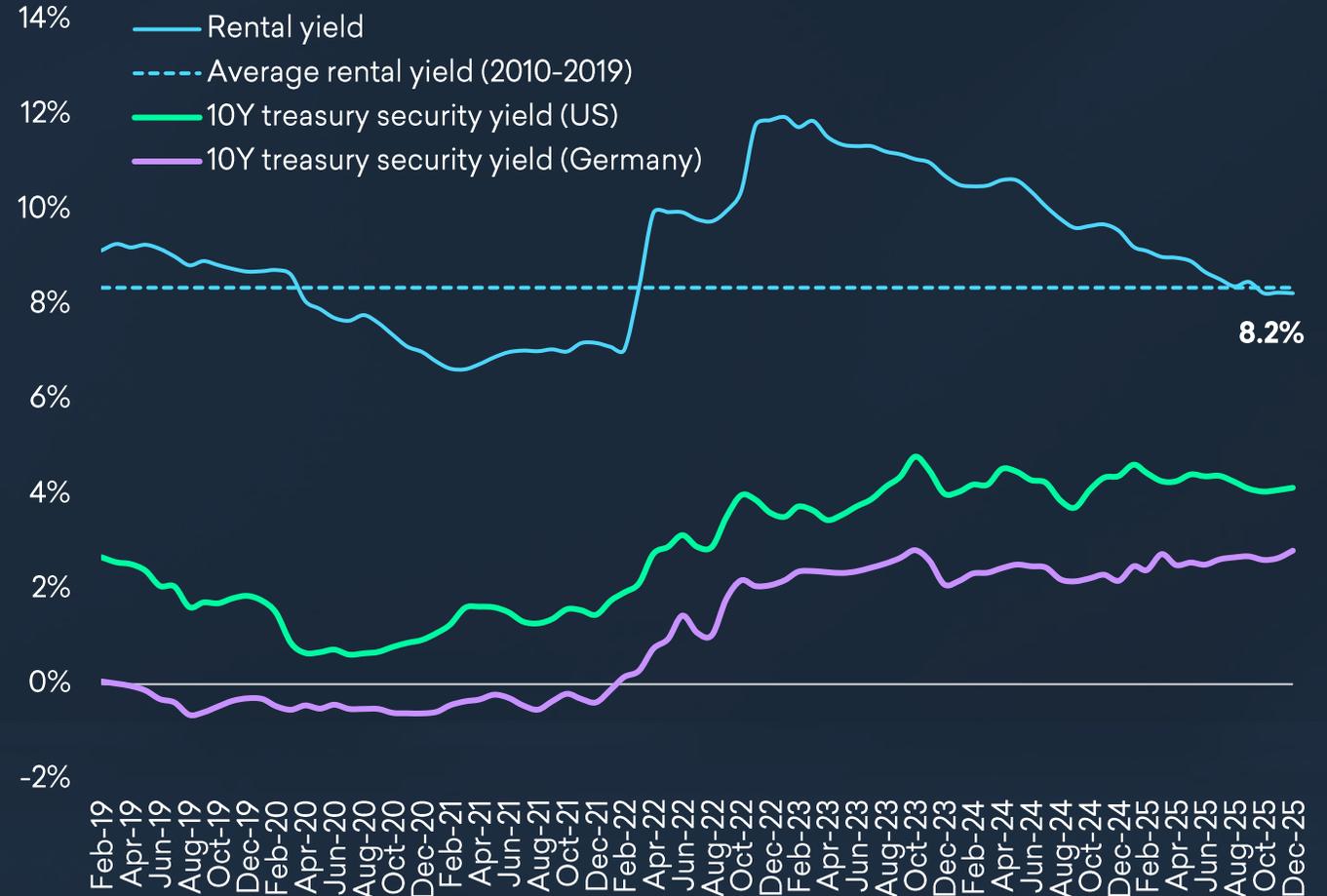
Notice: Price categories reflect average transaction prices within the specified percentile ranges

Rents started to normalize from 2024 and rental yields returned closer to their historic average, still remaining above the yields of the majority of the world's cities

Average rent price (\$/sqm), Tbilisi



Rental yield (%), Tbilisi

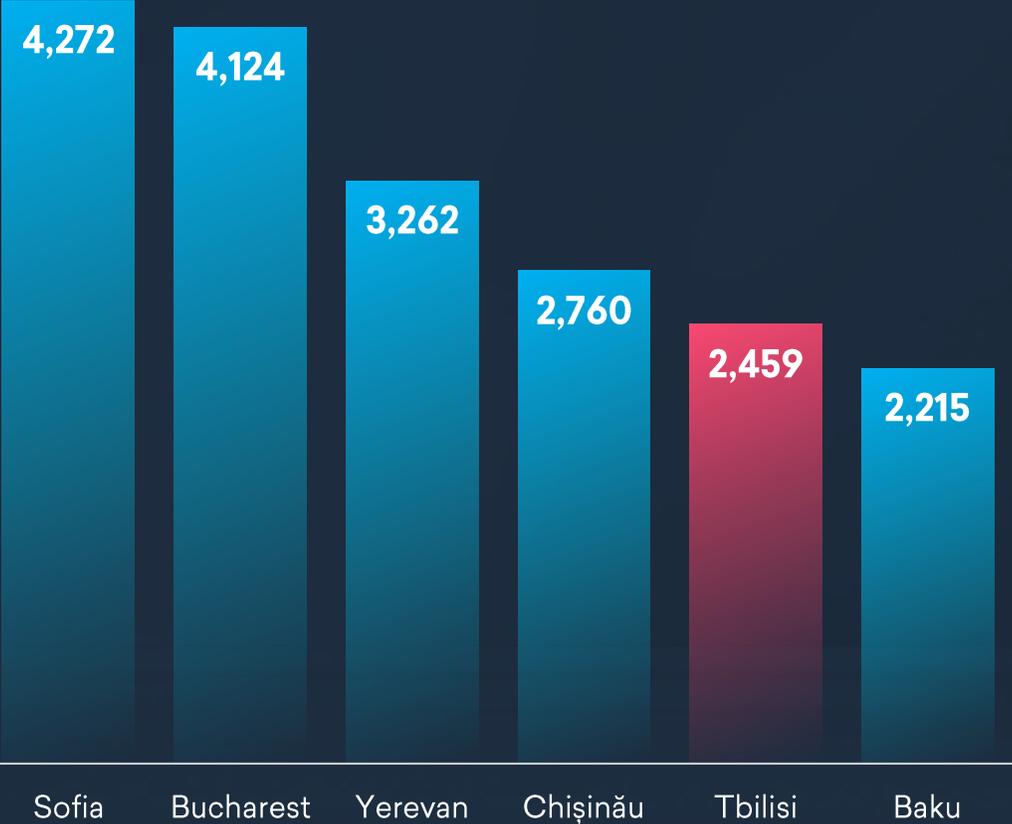


Source: NBG, FRED, TBC Capital

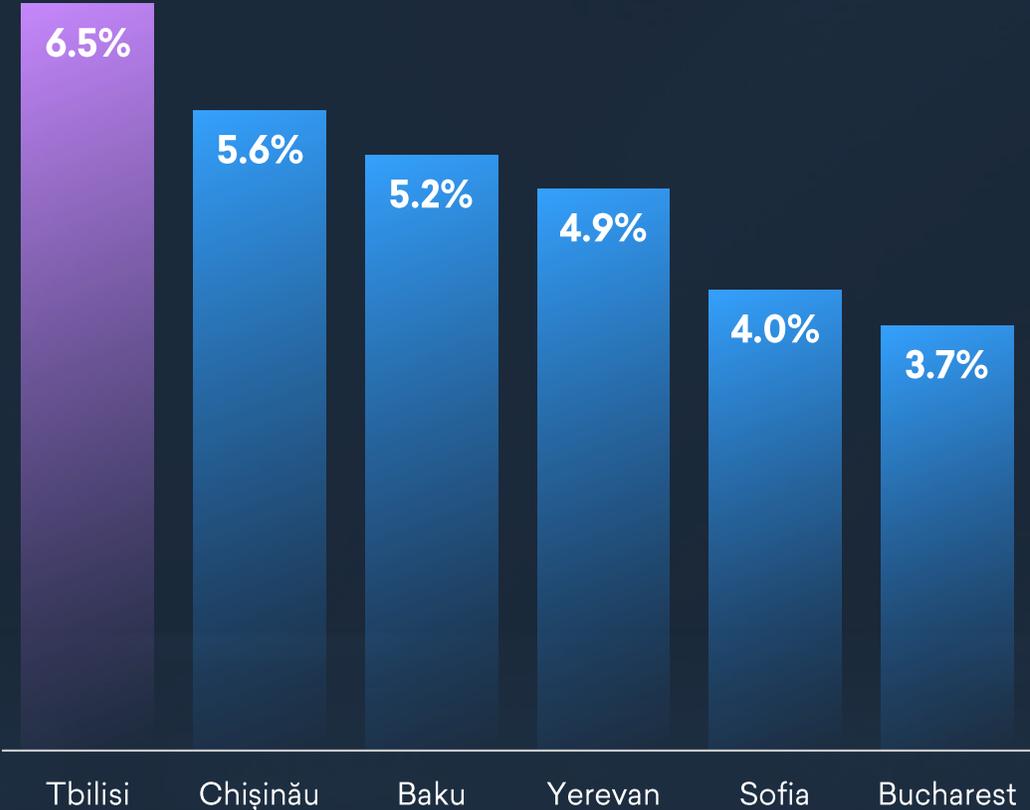


Comparison of prices and rental yields of 1 bedroom apartments in city centers of various countries show, that RRE in Tbilisi provides lower-range prices, while offering competitive rental yields

Average sale price (\$/sqm) of 1 bedroom apartment in city center, as of January 2026



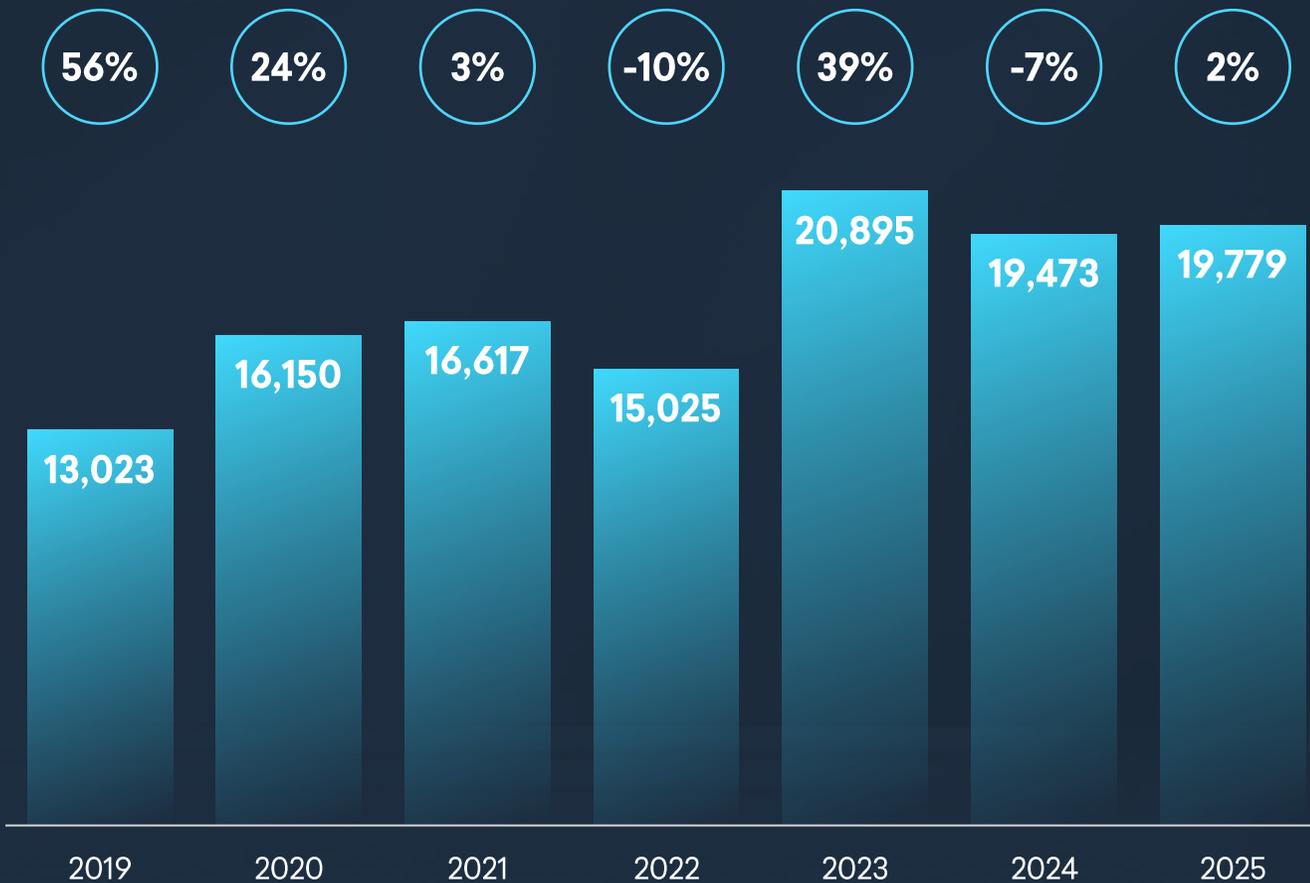
Gross rental yield (%) in city center, as of January 2026



Source: Numbeo

Potential supply in Tbilisi's residential real estate market continues to grow, intensifying competition

Construction permits, potential number of flats and YoY change (%)



Average number of flats in a single multi-apartment building

2022
80 units

2025
106 units

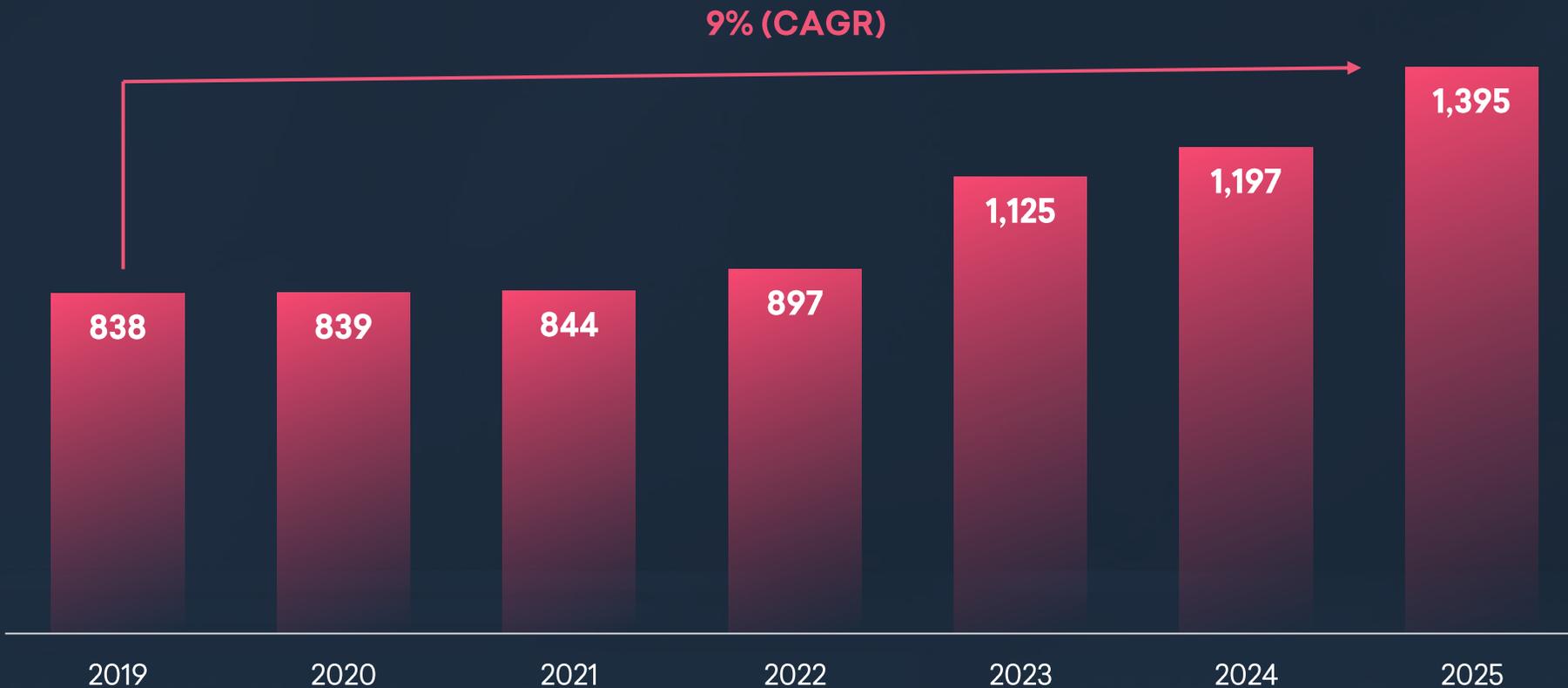
Average land area for a single project

2022
3,800 m²

2025
5,400 m²

In 2025, in Batumi the average sale price rose by 17% YoY, driven by the increased supply of upscale projects

Average sale price (\$/sqm), Batumi



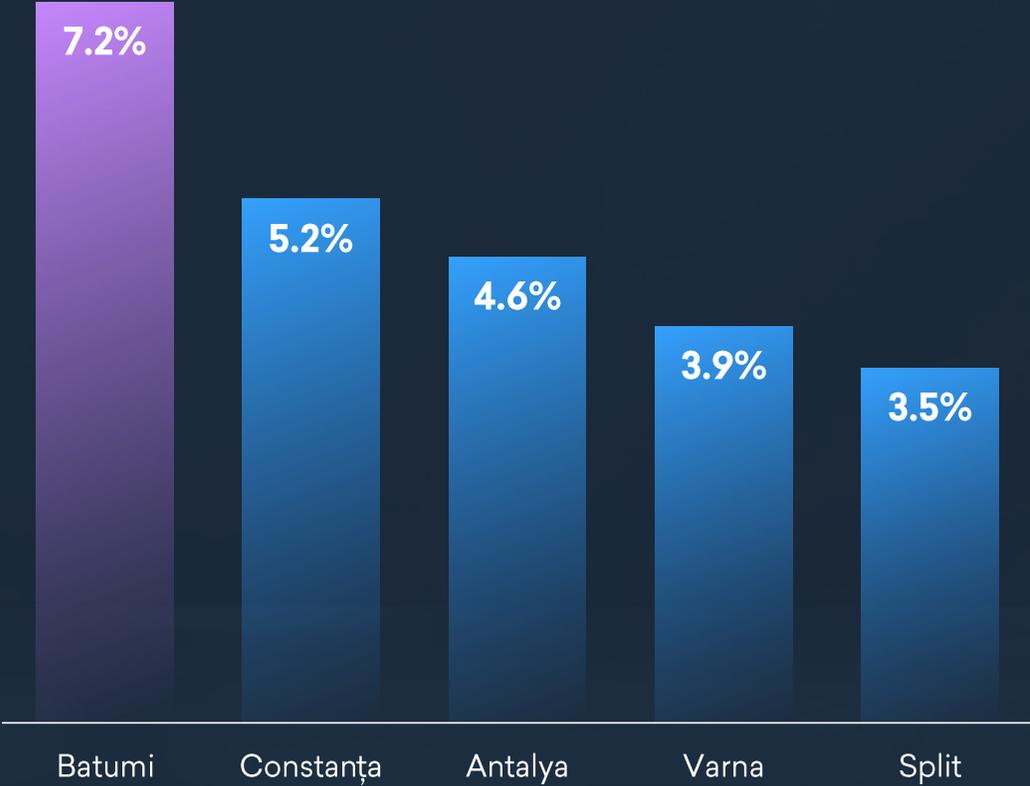


Comparison of prices and rental yields of 1 bedroom apartments in city centers show, that Batumi combines the lowest prices and highest yields among regional resort peers. This difference suggests price upside potential while limiting further rental yield expansion

Average sale price (\$/sqm) of 1 bedroom apartment in city center, as of January 2026



Gross rental yield (%) in city center, as of January 2026



Source: Numbeo

Sound fundamental drivers of demand

Decreasing family size

Average family size, as of 2024

Georgia	EU
3.2	2.2

Increasing urbanization

Urbanization level, as of 2024

Georgia	EU
61%	76%

Outdated stock

Urbanization: xx

77% of population lives in buildings built before 1990

Tourism: Stable growth

Tourism growth

↑6%





2026 Expectations



The residential real estate market is entering a normalized phase



Prices and sales volumes will maintain stable growth

Transactions: $\uparrow 4.5\%$

Prices: $\uparrow 3.2\%$



Correction in rental prices to persist ($\downarrow 2.1\%$)

Rental yields to remain stable at around $\sim 8\%$

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